Department of the Navy

Earned Value Initiatives

Earned Value Policy

- ASN(RDA) endorsed earned value as a management tool for integrating cost, schedule and technical performance

- Cost and schedule reporting guidelines

- Subsequent application reviews (SARs) conducted on an exception basis

Electronic Data Interchange
(EDI)

- NAVAIR conducted the first successful EDI transmission of CCDR data with Grumman in May 1994

- NAVSEA conducted the first successful EDI transmission of CPR data with Ingalls in January 1995

- NAVAIR conducted a successful EDI transmission of CPR data with Boeing Helicopter in September 1995

- NAVAIR will be prototyping the first EDI transmission of program schedule data with Grumman in January 1996

NAVAIR Earned Value
Training for Engineers

- Training for new engineers (Engineering and Science Development Program) includes a module on earned value

- Continuing earned value refresher training for all other engineers (classroom and video tape)

- Plan to invite contractor engineers to discuss their application of earned value

Earned Value at Depots and Field Activities

- F-14 program (PMA -241)
    - implemented June 1993 at NADEP Norfolk
    - implementation in progress at NADEP Jacksonville and NAWC - WD Pt. Mugu

- NAVAIR developing policy guidelines for broader implementation at all aviation depots and field activities

Boeing Philadelphia Initiative

- Contractor-led extended subsequent application review (ESAR) for the V-22 program

- Small government team for oversight and support

- DPRO representation from each Boeing site (Seattle, Wichita, and Philadelphia)

- Cost avoidance of $350K (Boeing estimate)

- The process used was successful

Joint Surveillance

- SUPSHIP San Diego and NASSCO signed a joint surveillance MOA in March 1995

- NAVSEA has directed all SUPSHIPs to include joint surveillance procedures in MOAs with contractors

E-2C MCU CONTRACT PERFORMANCE MANAGEMENT

- **Involves a team of government technical people in monthly analysis of cost/schedule/technical performance**

    - Program Management, Systems Engineering, Contracts, Logistics, Avionics, Training, and Cost Analysis represented

    - Team involved initially with the Integrated Baseline Review

    - Team members responsible for specific Work Breakdown Structure elements

- **Communication between government team members and Northrop Grumman Cost Account Managers eliminates the need for written monthly CPR variance analysis reporting**

    - Variance analysis demand based

E-2C MCU CONTRACT PERFORMANCE MANAGEMENT

- **A specialized software package was set up which aids in the analysis of the Cost Performance Report and the Master Integrated Program Schedule**
  - Software ties CPR and MIPS together
  - Winsight, Performance Analyzer, Microsoft Project, C/S Glue, and Risk+ were installed to provide this capability

- **Technical people like insight provided by the interrelationship between technical and cost performance**
  - Can articulate technical problems in terms of cost/schedule
  - Improvement for technical people to have easy access to cost/schedule data

E-2C MCU CONTRACT PERFORMANCE MANAGEMENT

- **Team briefs program manager on a monthly basis**

- **Training provided initially and on a continuing basis**
  - Cost/schedule performance measurement
  - Software packages

- **Insight tool**
  - Doesn't solve problems
  - Good indicator for people to take management actions

Earned Value Training

- NAVSEA is conducting training for all New Attack Submarine (NSSN) Integrated Program Teams (IPTS)

- NAVAIR has ongoing training for all engineers

Summary

- DoN fully supports "Model Program" objectives

- Implementation of improved earned value management processes is a significant element of Acquisition Reform

- We are doing it!